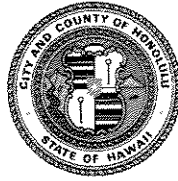# CITY AND COUNTY OF HONOLULU

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2009 MAY 11 A 11: 55

CITY COUNCIL
HONOLULU, HAWAII

MUFI HANNEMANN
MAYOR

GORDON J. BRUCE
DIRECTOR & CIO

May 11, 2009

The Honorable Nestor Garcia, Chair
  and Members of the Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Garcia and Councilmembers:

Subject: Budget Communication No. 6
          Council Budget Hearing Questions

This is in response to the Committee on Budget questions on the FY 2009-2010 Annual Capital Budget Review meeting on Tuesday, March 17, 2009:

Question 5. (a)

2006034 Upgrade Security Camera Systems at Various Police Facilities
Please provide details on lapse of prior monies for main console and security camera system at Downtown Main Station. Did we require contractor to be bonded, and if so, did we receive any monies for the bonding company?

DIT was designated the officer in charge for project number 2006034 in FY07. However, DIT did not submit the initial budget for this project and subsequently decided to lapse the initial $200,000, as the funding allocation was for planning, design and construction only. No funds were budgeted for equipment, and BFS advised us that funds could not be re-allocated to equipment.

At present, the contract has not been executed for the first phase of planning, design, equipment and construction. Purchasing is working on the contract and the funds ($700,000) have been encumbered to ensure that they do not lapse. There is an additional $41,500 we plan to use in the construction phase.

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Question 5. (b)

Please provide an update on the status of the security camera system in Chinatown, and whether volunteers can be used to man the camera surveillance operations of the system.

Major Clayton Saito of District 1 (Downtown Honolulu, including Chinatown) reports that, at this time, all of the cameras are operational. Volunteers monitor the cameras intermittently.

Question 5. (c)

Please provide a white paper summarizing the operational benefits and potential difficulties of utilizing the City's DocuShare system for record storage and retrieval.

DocuShare enables personal productivity, collaboration, and Web publishing capabilities for individual users, while also supporting compliance and content-centric business processes across the enterprise.

Document Management. A vast amount of very different content is created and handled daily across the City, often across multiple platforms and locations. DocuShare products make it easy for workers, regardless of location or system, to securely capture, manage, and share electronic content, significantly increasing efficiency and productivity while reducing the costs associated with maintaining paper files. DocuShare provides advanced capabilities, including rendition and XML component-based document composition.

Collaboration. DocuShare's routing and workflow capabilities facilitate stronger team work and increased productivity. Workers can easily collaborate on a single document or a collection of content in a shared project or team workspace, and communicate through blogs, wikis, and Web conferencing.

Image Capture and High-Volume Archiving. Digital documents are more easily protected, managed, and accounted for than paper, yet paper persists. To help, DocuShare supports a wide range of scanning capabilities, including scan to email and support for third-party devices, dramatically increasing the ways paper documents can be captured and brought into the DocuShare environment.

Records Management. With the proliferation of corporate content, we are experiencing both exponential growth in extraneous information and increased vulnerability in defining which content is or is not a formal record. With funding, DocuShare can be used to expand electronic records management so that everyone, including the average worker, can easily classify and declare documents as records, with minimal training or work practice disruption. Records management with DocuShare maps to the ways organizations work, giving average users classification capabilities but reserving final declaration of records for subject or compliance experts. It is estimated to cost $2 million to implement and $500,000 a year to operate.

Web Information Publishing. DocuShare supports rapid dissemination of information on company intranets or externally facing Web sites through a range of Web-centric editing, management, and publishing tools—all protected by security protocols.

Social Computing. As services and applications continue to evolve towards Web 2.0 configurations, companies need to manage the constantly changing content within tools such as blogs and wikis. DocuShare supports delivery of content through these channels, and adds behind-the-scenes management, tracking, and accountability—including records management—for advanced social computing that is seamless, secure, and simple to use and administer. We are not using this capability at this time.

Business Continuity. The unexpected can happen at any time. Preservation of critical content and quick access to it after infrastructure loss is important. Documents are backed up on a scheduled basis.

Question 11. (a)

With regard to the Integrated Financial / HR module, please provide an evaluation as to whether this software technology improved the work product of affected agencies.

Benefits of C2HERPS-Advantage Financial

The C2HERPS-Advantage system is designed such that access to specific levels of information and reports are pre-determined and controlled by the system administrator in consultation with each agency administrator and their respective staff. Consequently, aside from reports required by ordinance or resolution, general access to each agency's data is not available.

- Ability to track CIP award status with an electronic requisition
  - Previously there were no requisitions for construction or consultant contracts – only paper requisitions for goods and services purchases, which made tracking more difficult.
- Online searchable master agreements (price schedules)
  - Previously only paper listings were distributed to City agencies.
- Once completed, vendors may update their own vendor records using the Vendor Self Service (VSS) module. Rollout started in March, 2009.
- C2HERPS supports multiple vendor addresses
  - Previously multiple vendor records were created for the same vendor.
- Ability to automate the creation of procurement award documents.
- Major advances in procurement competition, processing speed, accuracy, elimination of manual operations, convenience to the public, and reliability are possible once we fully implement the Vendor Self Service module.
- Creation of PO Documents in PDF format for paperless distribution of PO's to the Vendors.
- Documents are electronically workflowed
  - Easier to track status.
- Faster payment to vendors.
- Printing less checks
  - C2HERPS consolidates multiple payment requests to the same vendor on one check.
  - Previously CIFIS cut checks by fund. C2HERPS consolidates multiple funds on a single check.
  - Example – Section 8 Rental Assistance checks
    - With CIFIS, 3700 Section 8 checks printed per month
    - With C2HERPS, 1700 Section 8 checks printed per month
    - Monthly savings of 2000 sheets of check stock per month.

- Document reference function
    - Allows you to see RQS turn into a contract and track payments made to the contract.
- Retainage function
    - C2HERPS automatically withholds and tracks retainage on City contracts.
- C2HERPS provides real time posting of documents, unlike the batch posting in CIFIS which would cause a one day lag
    - Documents posted to the accounting journals as soon as they are approved
    - Cash receipts that are entered directly into the system are available immediately. This is important for cash controlled accounts such as Federal grants.
- Provides a good audit trail
    - Users and approvers names and dates are stamped on each document.
- Provides efficiencies such as document templates, copying documents, and accounting templates to aid in processing transactions.
- Funds checking
    - Prevents document from being submitted/finalized if there are not sufficient funds for the transaction.
- C2HERPS encumbers funds before the goods or services are ordered
    - Previously CIFIS had a confirming purchase order system where goods were ordered and received and the transaction was not recorded in the books till months later.
- Encumbrances liquidated automatically when the payment document is processed
    - Manual process in CIFIS.
- Easier to obtain information from the system
    - By working thru trained report writers in BFS, people in the organization can get information in an ad-hoc manner. The trained report writers have the ability to develop queries using defined Business Objects, provide access to historical data, and report certain data into Excel worksheets for further analysis.
- Projects and Grants module
    - Ability to track costs for specific projects
    - Previously done on paper spreadsheets.
- Reduced the number of report printouts from 700 Reports in old system to less then 50 in C2HERPS.

- Supporting documents can be attached to each transaction for better procurement evaluation.
- C2HERPS has disaster recovery capabilities.
- C2HERP has integration to other Applications such as Budgeting, Asset Management and Project Management.

<u>Benefits of C2HERPS-Advantage HR/Payroll</u>

- City currently uses paper forms to process most of its employee transactions. C2HERPS will reduce paper processing by using electronic documents for many of the transactions. These documents also allow for electronic workflow which brings efficiency and greater accountability when processing personnel transactions.
- C2HERPS allows department users to initiate most of the data entry process and allows central DHR staff to reduce the amount of their data entry work, providing for a shift to focus more time auditing and approving documents.
- C2HERPS is able to provide and maintain a greater amount of personnel and payroll data than the current system. The City's current system is not timeline maintained and is not capable of displaying more than the last five transactions that have occurred for an employee.
- Legacy reports are being reviewed and updated for currency and accuracy, providing for better tracking and analysis.
- Employees with computer access will be able to update their own personal information using the Employee Self Service (ESS) functionality.
- C2HERPS brings greater accuracy to employee pay and deduction calculations. Current system is only able to calculate up to four decimals (1,000th of a penny). C2HERPS system is able to calculate up to six decimals (100,000th of a penny).
- Many retroactive Pay Calculations were previously manually processed. Under Advantage the Retroactive Pay Calculations will be largely automated, including the ability to automate the majority of Temporary Assignment Pay (TAP) which was previously not possible.
- Retroactive FLSA Pay Calculation was previously not available. Under Advantage HRM we will have the ability to process Retroactive FLSA Calculation, meaning that if late entries come in that would have changed an FLSA pay-out that occurred in the past, we could automatically reprocess that period and Advantage will output the FLSA Pay adjustment amount if one is needed.

- Under CHRMS Legacy system, timekeepers need to enter pay transactions (LHR) along with sick or vacation transactions for positive paid (hourly) employees. Under Advantage, the pay transactions will not need to be inputted for hourly employees since the sick and vacation transactions themselves will generate the corresponding pay transaction.
- The Advantage Pay Check (& pay stub) will be more comprehensive than the pre-existing version, in that it will show more leave information than was previously available, as well as more employer fringe information.
- More information will be available in PDF format within the system regarding employee pay history such as downloadable PDF files of Checks/W-2s (if going forward the City chooses to continue uploading these).
- Donated Leave processing will become an integrated part of the system instead of being maintained in an external Excel Database as it has been up until this point.
- ERS Reporting Standards could not be met previously since CHRMS historical payroll data was not stored in fine enough detail to meet those requirements, whereas the new system allows us to meet the ERS requirements that have been set forth.
- In accordance with the Hawaii State Garnishment guidelines, an inquiry screen has been added to the Advantage application so that payroll staff have the ability in an on-demand fashion to call up detailed information about how an employees garnishment for a past pay period was calculated (guideline states that employees have the right to be shown if the Hawaii calculation routine or Federal routine was utilized based on favorability). This process was previously done by hand, now the screen can be pulled up and then printed.
- After the implementation of HR/Payroll the City will be closer to having a complete ERP system. Data from the C2HERPS financial system, vendor self-service, HR/Payroll system, Meridian Global learning management system, Performance Budgeting system and employee self service will be integrated.
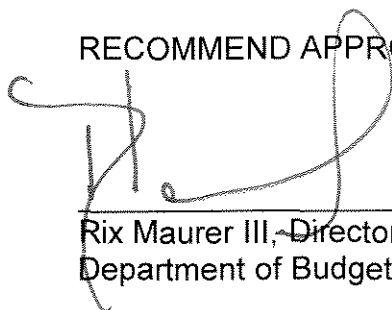
If you require additional information, please feel free to contact me at 768-7601.

Sincerely,

Gordon J. Bruce
Director and CIO

RECOMMEND APPROVAL:

Rix Maurer III, Director
Department of Budget and Fiscal Services

APPROVED:

Kirk W. Caldwell
Managing Director